NOTE FOR DR. McLUCAS

SUBJECT: FY 74-FY 75 Funding

The following is an update on the current situation regarding potential NRP funding cuts for FY 74 and FY 75. As you know, the House Appropriations Committee recommended in FY 74 an additional reduction to the SDS program. Additionally there were recommendations for reductions of $100 million which was to fund the CES package and an additional $100 million of RDT&E.

After discussions with the IC Staff, I agreed that John Clark would have the initial contact with the Senate Appropriations Committee Staff. If additional information was required or if the Committee desired direct contact, these requests would be passed to the NRO Comptroller or the DNRO. Mr. Guy McConnell, the Committee Staff Assistant who is cleared, agreed to reinstate the $50 million for SDS and the $50 million for the CES package. He felt that nothing could be done concerning the $100 million RDT&E cut. On Friday, November 30, Senator McConnell agreed to this approach. It was subsequently able to change the appropriation categories for the RDT&E cut as follows: The cut will be 3600 Appropriation and 3640 Appropriation. With this minor modification, we can live with the reduction and still stay within the November ExCom decisions.

Also on Friday, Dr. LaBerge and Dr. Currie discussed potential RDT&E cuts in FY 75. They suggested an approximate 10 percent cut to our Special Activities account. This is shown on page 4 of TAB A. It amounts to a proposed reduction of $50 million and leaves us with a revised program of...
Coincidentally, within terms of the November ExCom decision, the NRP requirement for FY 75 is to be zero. Added to this should be a requirement for U-2 countermeasures which is currently not programmed for FY 75 in either the Air Force or the NRP. The total of the NRP and the U-2 requirements is more than the suggested revised program. In contact with the people in the Assistant Secretary's office and this difference should be worked out.

In this particular instance the fact that the resulting available funds and requirements came out almost the same, was accidental but also very fortunate. I will continue to keep you informed of new developments.

JOHN E. KULPA, JR.
Brigadier General, USAF